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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Council on Alcohol and Drug Abuse  
for Greater New Orleans

We have audited the accompanying statements of financial position of the Council on Alcohol and Drug Abuse for Greater New Orleans (CADA) as of June 30, 1998 and 1997, and the related statements of activities and functional expenses for the year ended June 30, 1998 and the statements of cash flows for the years ended June 30, 1998 and 1997. These financial statements are the responsibility of the CADA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council on Alcohol and Drug Abuse for Greater New Orleans as of June 30, 1998 and 1997, and the changes in its net assets for the year ended June 30, 1998 and its cash flows for the years then ended June 30, 1998 and 1997 in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT  
(CONTINUED)

To the Board of Directors of  
Council on Alcohol and Drug Abuse  
for Greater New Orleans  
Page 2

In accordance with Government Auditing Standards, we have also issued a report dated August 14, 1998 on our consideration of CADA's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

August 14, 1998

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR THE GREATER NEW ORLEANS  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$124,604	\$ 50,950
Accounts receivable	39,597	31,833
Unconditional promises to give (NOTE 5)	186,576	184,635
Prepaid expenses	5,117	3,899
Furniture and equipment, net of accumulated depreciation (NOTES 1 and 5)	22,789	25,594
Lease deposit	<u>2,000</u>	<u>2,000</u>
Total assets	<u>\$381,655</u>	<u>\$318,211</u>
 <b><u>Liabilities and Net Assets</u></b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 14,361	\$ 7,519
Deferred revenue	<u>1,890</u>	<u>5,050</u>
Total liabilities	<u>16,251</u>	<u>12,569</u>
 <b><u>Net Asset</u></b>		
Unrestricted	176,624	117,007
Temporarily restricted (NOTE 8)	<u>188,180</u>	<u>184,635</u>
Net Assets	<u>364,804</u>	<u>301,642</u>
Total liabilities and net assets	<u>\$381,655</u>	<u>\$318,211</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 1998

With Summarized Financial Information for the Year Ended June 30, 1997

	Unrestricted	Temporarily Restricted	TOTALS (NOTE 1)	
			1998	1997
<b>Support and Revenue:</b>				
United Way for Greater New Orleans Area				
Allocations	\$ -0-	\$ 178,900	\$178,900	\$163,980
Designations	-0-	11,880	11,880	14,880
United Way-St. Charles	-0-	12,000	12,000	8,350
Contributions	98,348	-0-	98,348	45,210
Federal grants (NOTI 10)	163,549	-0-	163,549	242,573
Other grants	72,362	-0-	72,362	48,975
Program services fee	138,886	-0-	138,886	108,917
Other	2,253	-0-	2,253	983
Net assets released from restrictions:				
Expiration of time restrictions (NOTE 7)	158,632	(188,632)	-0-	-0-
Total support and revenue	<u>648,023</u>	<u>  2,245</u>	<u>650,268</u>	<u>623,772</u>
<b>Expenses:</b>				
Program Services:				
Substance abuse education	466,338	-0-	466,338	452,382
Supporting services:				
Management and general	122,238	-0-	122,238	84,680
Total expenses	<u>588,576</u>	<u>  -0-</u>	<u>588,576</u>	<u>537,062</u>
Changes in net assets	59,617	3,545	63,162	55,918
Net assets, beginning of year	117,002	188,632	305,634	248,332
Net assets, end of year	<u>\$176,619</u>	<u>\$192,177</u>	<u>\$368,796</u>	<u>\$304,250</u>

See Accompanying Notes to the Financial Statements.

**ORION-ON ALUMINUM AND BRIGS AIRSIS FOR CRIGATER NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 1988

With Reamended Financial Information for the Year Ended June 30, 1987

	<b>PRODUCTION SERVICES</b>	<b>ADMINISTRATIVE SERVICES</b>	<b>TOTAL COSTS</b>
	Subcontract Major Recreation	Management and General	1988 1987
Salaries and wages	525,111	87,289	612,400
Employee health and retirement	29,687	3,179	32,866
Payroll taxes	24,622	4,622	29,244
<b>Total salaries and related expenses</b>	<b>579,420</b>	<b>95,090</b>	<b>674,510</b>
Professional fees	39,299	1,120	40,419
Supplies	4,885	1,854	6,739
Telephone	6,171	1,413	7,584
Postage and shipping	1,236	872	2,108
Comptrols, insurance and fees	20,112	7,498	27,610
Equipment repairs and maintenance	2,644	782	3,426
Printing and publications	16,115	1,000	17,115
Travel	12,812	1,188	14,000
Conferences and conventions attended	3,687	2,887	6,574
Dues	1,218	-	1,218
Audio-visuals	2,612	-	2,612
Conferences and training held	21,591	-	21,591
Board sponsored events/ fundraising	-	17,687	17,687
Recreation	-	-	-
Field trips	1,099	-	1,099
Miscellaneous expenses	-	-	-
<b>Total expense before depreciation</b>	<b>464,118</b>	<b>171,092</b>	<b>635,210</b>
Depreciation	-	4,228	4,228
<b>Total expenses</b>	<b>464,118</b>	<b>175,320</b>	<b>639,438</b>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR THE GREATER NEW ORLEANS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 63,162	\$ 55,910
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,206	3,618
(Increase) decrease in operating assets:		
Accounts receivable	11,976	(30,343)
Unconditional promise to give	(1,941)	(12,183)
Prepaid expenses	(2,018)	832
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	6,742	2,244
Deferred revenue	(7,660)	130
 Net cash provided by operating activities	 <u>28,667</u>	 <u>18,798</u>
 <b>Cash Flows from Investing Activities:</b>		
Purchase of equipment	(2,401)	(3,501)
 Net cash used in investing activities	 <u>(2,401)</u>	 <u>(3,501)</u>
 Net increase in cash and cash equivalents	 73,666	 18,297
Cash and cash equivalents, beginning of year	50,550	40,652
Cash and cash equivalents, end of year	<u>\$124,216</u>	<u>\$ 58,950</u>

See Accompanying Notes to the Financial Statements.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Summary of Significant Accounting Policies:**

**Control**

The **Committee on Alcoholism and Drug Abuse for Greater New Orleans** was created by Articles of Incorporation dated July 27, 1960, and amended April 30, 1970 and November 1, 1980, to operate exclusively for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. On May 23, 1997, the **Committee on Alcoholism and Drug Abuse for Greater New Orleans** had established its operating name as the **Council on Alcohol and Drug Abuse for Greater New Orleans (CADA)**.

The mission of the CADA is to prevent the misuse of alcohol and other drugs in order to promote and support healthy individuals and families, and safe communities. CADA's mission is achieved through education, collaboration, advocacy, referral and information services. CADA believes that in order to accomplish this mission they must:

1. Provide age-appropriate, culturally sensitive information and educational programs;
2. Provide opportunities for inter-agency collaboration and the free exchange of information and ideas;
3. Advocate for public policy changes; and
4. Provide treatment referral information to individuals and families in need of services.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - Summary of Significant Accounting Policies, Continued:**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CADA and changes therein are classified and reported as follows:

**Unrestricted Net Assets**

Net assets are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets**

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CADA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Equipment**

Property and equipment are stated at cost. Additions, renewals, and betterments that add materially to productive capacity or extend the life of an asset are capitalized. Expenses for maintenance and repairs which do not extend the life of the applicable assets are charged to expense as incurred. Upon retirement or disposal of an asset, the asset and accumulated depreciation accounts are adjusted accordingly. Any resulting gain or loss is included in the statement of activities.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Summary of Significant Accounting Policies, Continued:**

**Equipment, Continued**

Depreciation of the equipment is provided over the estimated useful lives of the assets (five to ten years) on a straight-line basis.

**Income Taxes**

No provision is made for income taxes, as CADA is exempt from income tax as a not-for-profit organization operated under Code Section 501(c)(3) of the Internal Revenue Code of 1986.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Summarized Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CADA's financial statements for the year ended June 30, 1997, from which the summarized information was derived.

**Statement of Cash Flows**

For the purpose of the statement of cash flows, CADA considers time deposits and all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

COUNCIL ON ALCOHOL AND DRUG ABUSE  
FBI GREATER NEW ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Contributions and Grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grants from private and governmental agencies are recorded when CADA is entitled to the funds.

NOTE 2 - Pension Plan

CADA has a defined contribution plan which covers substantially all full-time employees. Annual contributions are discretionary with the Board of Directors, but may not exceed the maximum amount deductible for federal tax purposes. Contributions for the year ended June 30, 1998 were \$10,666.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

**NOTE 3 - Facility Lease:**

CADA leases its office space under an operating lease expiring March 2001. For the year ended June 30, 1998, facility lease expense amounted to \$34,208. Minimum rentals, on an annual basis, are as follows:

Year Ending June 30,	Amount
1999	\$38,687
2000	49,268
2001	31,873

**NOTE 4 - Fair Values of Financial Instruments:**

The fair values of financial instruments have been determined utilizing available market information and appropriate valuation methodologies. CADA considers the carrying amounts of cash and cash equivalents, and unconditional promises to give to approximate fair value.

**NOTE 5 - Furniture and Equipment:**

Furniture and equipment is stated at cost as follows:

	1998	1997
Furniture and equipment	\$52,515	\$50,114
Less: Accumulated depreciation	29,728	24,520
Net furniture and equipment	<u>\$22,787</u>	<u>\$25,594</u>

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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**NOTE 6 - Contingencies:**

Grants and contracts with funding sources often require fulfillment of certain conditions as set forth in the terms of the instrument. Failure to fulfill the conditions could result in the return of funds to the grantor. Although, the return of funds is a possibility, the Board of Directors deems the contingency unlikely since CADA has agreed to comply with grantor provisions.

**NOTE 7 - Net Assets Released from Restrictions:**

Net assets in the amount of \$198,635 were released from donors by satisfying their restrictions specified by donors as follows:

United Way for Greater New Orleans:	
Allocations	\$165,500
Designations	14,860
United Way-St. Charles	<u>10,225</u>
	<u>\$198,635</u>

**NOTE 8 - Temporarily Restricted Assets:**

Temporarily restricted net assets from the United Way funding in the amounts of \$188,180 and \$184,635 are available for operations in the 1999 and 1998 fiscal years, respectively.

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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**NOTE 9 - Unconditional Promises to Give:**

Unconditional promises to give at June 30, 1998 and 1997 represent current receivables from local United Way agencies.

**NOTE 10 - Summary of Federal Grants:**

A summary of federal grants at June 30, 1998 is as follows:

Funding Source/Program Title	Recognized Support
U.S. Department of Health and Human Services:	
New Orleans/Baton Rouge Partnership Grant	\$ 44,421
Target Cities Project	28,667
U. S. Department of Housing and Urban Development:	
HUD/Unity Grant	34,861
Odyssey House Grant	3,600
U.S. Department of Education:	
Drug Free Program	30,000
Total Federal Grants	\$165,549

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Council on Alcohol and Drug Abuse  
for Greater New Orleans

We have audited the statements of financial position of the Council on Alcohol and Drug Abuse for Greater New Orleans (CADA) as of June 30, 1996 and 1997, and the related statements of activities and functional expenses for the year ended June 30, 1996 and the statements of cash flows for the years ended June 30, 1996 and 1997 and have issued our report thereon dated August 14, 1998. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether CADA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered CADA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



**BRUNO & TERVALON**  
CERTIFIED PUBLIC ACCOUNTANTS

August 14, 1998

COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1998

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**I. SUMMARY OF AUDITORS' RESULTS**

- A. The type of report issued on the financial statements: **unqualified opinion.**
- B. Reportable conditions in internal control were disclosed by the audits of the financial statements: **no material weaknesses: no.**
- C. Noncompliance which is material to the financial statements: **no.**
- D. Reportable conditions in internal control over major programs: **not applicable;**  
material weaknesses: **not applicable.**
- E. The type of report issued on compliance for major programs: **not applicable.**
- F. Any audit findings which are required to be reported under section 5106(a) of OMB Circular A-133: **not applicable.**
- G. Major programs: **not applicable.**
- H. Dollar threshold used to distinguish between Type A and Type B programs: **not applicable.**
- I. Auditee qualified as a low-risk auditee under section 550 of OMB Circular A-133: **not applicable.**
- J. A management letter was issued: **no.**

**COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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**II. FINDING RELATING TO THE FINANCIAL STATEMENTS REPORTED  
IS ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

*No matters reported.*

**III. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

*No matters reported.*

COUNCIL ON ALCOHOL AND DRUG ABUSE  
FOR GREATER NEW ORLEANS  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1998

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1. INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO THE FINANCIAL STATEMENTS

No prior year audit findings reported.

2. INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO FEDERAL AWARDS

No prior year comments reported.

3. MANAGEMENT LETTER

No prior year comments reported.